

RESIDENTIAL MORTGAGE LOAN REPORT REMINDER

Reminder! Real estate brokers who are direct lenders in certain types of loan transactions are required, pursuant to Health and Safety Code §35815 and §35816, to report to the Department of Real Estate activities related to the number of applications received from, and number and dollar amount of loans made to, the public for home purchase and/or home improvement purposes. If a real estate broker reports such lending activity to **HUD** under the provisions of the federal Home Mortgage Disclosure Act (HMDA), ***it is not necessary for the real estate broker to report to the Department of Real Estate.***

Please review the following criteria from the federal HMDA Web site to determine if you meet the federal reporting criteria:

2005 REPORTING CRITERIA FOR NONDEPOSITORY INSTITUTIONS

Use information and data from the preceding December 31 date when determining whether you meet the reporting criteria. The following questions for a nondepository institution should be answered to determine if you should report CY 2005 HMDA data in 2006.

- 1. Is the nondepository institution a for-profit lender?*
- 2. In the preceding calendar year, did the institution's home purchase loan originations (including refinancings of home purchase loans) equal or exceed 10 percent of its total loan originations, measured in dollars, or equal \$25 million or more?*
- 3. Did the nondepository institution either: (a) have a home or branch office in an MSA/MD on the preceding December 31, or (b) receive applications for, originate, or purchase 5 or more home purchase or home improvement loans on property located in an MSA/MD in the preceding calendar year?*
- 4. Did the nondepository institution either: (a) have assets (when combined with the assets of any parent corporation) exceeding \$10 million on the preceding December 31, or (b) originate 100 or more home purchase loans (including refinancings of home purchase loans) in the preceding calendar year?*

If a nondepository institution responds 'YES' to question 1 above and 'YES' to at least one question in 2, and one question in 3, and one question in 4, then HMDA applies to the institution's loan originations, purchases, and applications in the current calendar year. A negative response to question 1, or to all the questions in 2, 3, or 4 exempts the institution from filing HMDA data for the current calendar year.

For nondepository institutions, a branch office is any office of the institution that takes applications from the public for home purchase or home improvement loans. It does not include offices of affiliates or other third parties such as loan brokers.

If you are a lender and do not meet the above federal HMDA reporting criteria please review the following:

*The State of California Residential Mortgage Loan Report (RE857) must be submitted to the DRE by all real estate brokers whose assets total \$10 million or less and who regularly make real estate purchase and/or home improvement loans. "Regularly" is defined to mean twelve or more transactions annually during the immediately preceding calendar year that, in aggregate, total more than \$500,000. **Licensees who only broker, and do not make, loans are not required to report.***

Mortgage lending data is to be collected annually and reported on the RE 857 by March 31 of the following year. The form and instructions are available on our Web site at www.dre.ca.gov under "Forms". If you qualify to file the Residential Mortgage Loan Report for calendar year 2005 the report must be submitted by March 31, 2006. Please contact the Sacramento Mortgage Loan Activities Unit at (916) 227-0770 if you have any questions.